



## GE Consumer & Industrial

Appliance Park, AP2-225  
Louisville, KY 40225  
USA

### BULK FILE

Earl F. Jones  
Senior Counsel

T 502 452 3164  
F 502 452 0395  
earl.f.jones@ge.com

March 12, 2005

**Via Fax (202-219-3923)**

Jeff S. Jordan  
Supervisory Attorney Complaints Examination  
& Legal Administration  
Federal Election Commission  
Washington, D.C. 20463

Re: MUR# 5638

Dear Mr. Jordan:

Enclosed please find the response of General Electric Company and Walter Casavecchia to the complaint filed in the above matter.

I would like to again thank you and the staff for the many courtesies you have extended.

Please contact me if you need any additional information.

Cordially,

Earl F. Jones  
Senior Counsel

EFJ/

Copy to: Walter Casavecchia  
Hal Bogard

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
2005 MAR 14 11:43

27044160615

**BEFORE THE FEDERAL ELECTIONS COMMISSION**

**GENERAL ELECTRIC COMPANY &  
WALTER CASAVECCHIA**

)  
)  
)  
) MUR #5638  
)  
)  
)  
)

**Response of General Electric Company and**  
**Walter Casavecchia**

27044160616

## Index

- 1 Response to Compliant MUR #5638
- 2 Karl Robert "Bob" Knobloch Affidavit
- 3 Vivien Jacoby Affidavit
- 4 Walter Casevecchia Affidavit
- 5 Michael Baran Affidavit
- 6 Exhibits A-G

27044160618

1



## GE Consumer & Industrial

Appliance Park, AP2-225  
Louisville, KY 40225  
USA

**Earl F. Jones**  
Senior Counsel

T 502 452 3164  
F 502 452 0395  
earl.f.jones@ge.com

March 12, 2005

### Via Federal Express

Jeff S. Jordan  
Supervisory Attorney Complaints Examination  
& Legal Administration  
Federal Election Commission  
Washington, D.C. 20463

**Re: MUR 5638**

Dear Mr. Jordan,

This is the response of General Electric Company ("GE") and Walter Casavecchia ("Casavecchia") to the complaint filed in the above matter.

The complaint alleges that GE and Casavecchia violated the Federal Election Campaign Act (the "Act") by conspiring with Local 2249, International Brotherhood of Electrical Workers, AFL-CIO, (the "Union"), acting through its president Glenn Collins ("Collins") and William Abbott ("Abbott"), a Union official, to make a contribution to Abbott's abortive 2002 campaign for the Indiana 4<sup>th</sup> congressional district seat. The form of the unlawful contribution is alleged to have been in the form of wages and fringe benefits paid to Abbott while he was not at work but off campaigning.

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

2005 MAR 14 A 11:43

As the facts below clearly demonstrate, GE and Casavecchia did not violate the Act. Therefore, they urge the Federal Election Commission ("the Commission") to find no reason to believe and dismiss the complaint.

### **Facts**

GEA Bloomington Production Operations, LLC, (the "Company") is a wholly owned subsidiary of GE located in the city of Bloomington, Monroe County, Indiana, that manufactures refrigerator-freezers. In July 2002, the Company's average employment was 1800.

Approximately 75 Company employees are salaried exempt and non-exempt<sup>1</sup> management and administrative employees. The remaining are hourly-paid production employees. The National Labor Relations Board in 1967 certified the Union as the collective bargaining representative for the Company's production employees.

### **The Collective Bargaining Agreement**

The law requires that the parties negotiate in good faith over the terms and conditions of employment for the represented employees.<sup>2</sup> In so doing, the Union and the Company have negotiated collective bargaining agreements approximately every three years. The June 30, 2000 to June 15, 2003, collective bargaining agreement is the relevant agreement in this matter (the "Agreement"). [See Ex. C.]

All terms and conditions of employment, including wages and benefits, are governed by the Agreement. It would be unlawful for the Company to grant unilaterally different or additional benefits than the ones that have been negotiated.<sup>3</sup>

---

<sup>1</sup> "Exempt" means that the employees are not covered by the overtime pay requirements of the Fair Labor Standards Act, 29 U S C 201, et seq. "Non-exempt salaried" refers to employees who are covered by the overtime provisions but who are paid on a salaried basis.

<sup>2</sup> National Licorice Co v NLRB, 309 U S 350 (1940)

<sup>3</sup> NLRB v Katz, 369 U S 736 (1962)

27044160620

In recognition of the fact that certain Union officials are hourly employees who must take time off from work to administer the Agreement and to manage the Union's affairs, the Agreement provides that such union-business time should be compensated. Two provisions specify how compensation for union-business time will be handled. One addresses time that will be paid for by the Company and the other addresses time to be paid for by the Union.

#### **Company-paid time for union business**

Article XVIII, Section 1 specifies that the Company will only compensate Union officials for union-business time that involves the processing of employee grievances under the Agreement--which takes place during regular working hours--and it sets maximums for such compensated time depending on the level of the official. Shop stewards are entitled up to 1.5 hours of grievance-handling time per week. Chief stewards and Union vice presidents can be paid up to 5 hours per week, and the Union president 42 or 52 hours per month, depending on the number of weeks in the month.

#### **Union-paid time for union business**

The Agreement provides that the Union pays for grievance-handling time in excess of the Company-paid time provided for in Article XVIII, Section 1 and *all* time away from work spent by Union officials on non-grievance-related activities.

Appendix C to the Agreement states that:

The Local shall make, on behalf of a steward or other representative of the Local, a monthly payment to the Company in the amount of Earnings, if any, such employee receives from the Company attributable to time spent on union business within the employee's work schedule...and in excess of the pay for time under Article XVIII. [See Ex. F.]

27044160621

### **Vouchering procedure for union business**

Union officials must record all Union-business time--regardless whether Company- or Union-paid, on "labor vouchers." [See Ex. G.] When recording Company-paid time for union business, Union officials must specify which level of the multi-step grievance process they attended—Step 1A, 1B or Step 2A. If the time is recorded as Union-paid time, the Union official must indicate whether he/she was in or out of the plant.

Clear instructions are given on the voucher regarding how to complete the form. As shown below the form explains that only certain portions of their union time is compensated by the Company:

[T]ime [spent at Step 1A] will be paid by the company only to the President, Chief Stewards and the Stewards in accordance with the provisions of Article XVIII,<sup>4</sup> of the GE-IBEW Contract.

[T]ime [spent at Step 1B] will be paid by the company only to the President or Chief Steward, Vice President and Steward in accordance with the provisions of Article XVIII, of the GE-IBEW Contract.

[T]ime [spent at Step 2A] will be paid by the company only to members of the Shop Committee in accordance with the provisions of Article XVIII, of the GE-IBEW Contract.

The footnote to the column headed "Other"--non-grievance-handling time--clearly states that the Company will not pay for time entered in the column:

---

<sup>4</sup> The voucher, Ex G, references Article XVII. Prior to the 2000 Agreement, AXVII was the Union Representation provision. Beginning with the 2000-2003 Agreement, that provision became Article XVIII. The voucher form was not revised but continued to refer to Article XVII. [See paragraph 6, Baran Affidavit]



[This]...time is not within the limits provided for in the GE-IBEW Contract and is not paid for by the Company.

"Other" time is Union-paid time. [See Ex. G.]

A Union official who requests payment for his/her time away from work must sign the voucher. The Union president, or his designee, must also sign it. The Agreement does not limit the number of Union-paid hours per week. Nor has the Union provided guidelines other than that the Company should process signed requests. Thus, all hours vouchered as Union-paid, if signed by the Union president, are paid as Union-approved.

On a weekly basis the Union president submits Union-business labor vouchers to Mike Baran ("Baran"), the Company's shop labor relations manager. Baran assumed this responsibility in January 2002. He reviews the vouchers for two purposes: (1) to ensure that Company-paid time does not exceed the maximum provided for in Article XVIII; and (2) to confirm that there are no uncategorized hours. He then enters the hours into the time-and-attendance system.

Other than Baran's ministerial functions described above, the Company's only other involvement in the Union-payment process is to provide payroll services to the Union for the hours in question. For several years before the parties agreed on the Agreement, the Union paid Union-paid time directly to the Union officials entitled to payment. This process led to many errors. [See paragraph 4, Knobloch Affidavit]. So, when the parties agreed in 1991 that Union-paid time would be counted toward GE benefits, they also decided to transition the payment process<sup>5</sup>. The Company would

---

<sup>5</sup> SECTION 1 LOCAL PAYMENTS

(1) The Local shall make, on behalf of a steward or other representative of the Local, a monthly payment to the Company of the amount of Earnings, if any, such employee receives from the Company attributable to time

now advance to the Union funds to pay Union-paid time and the Union would reimburse the Company from employee Union dues payments collected by the Company.

Article II, Section 2(a) of the Agreement provides that Union members shall pay monthly dues (or an equivalent service fee for non-members). In 2002, the monthly dues payment was approximately \$31 per employee. Before the Company remits the dues to the Union it deducts the amounts that have been advanced on the Union's behalf to pay Union officials, plus 8.8% for employer tax costs.

### **Service credits**

Article VIII, Sect. 2(A)(1) & (2) of the Agreement provides that service credits will be lost if an employee "quits, dies, resigns, retires or is discharged...[or] is absent from work for more than two consecutive weeks without satisfactory explanation." In 2002, six employees were terminated for being absent more than two weeks. Two were re-engaged when they explained why they were unable to report to work.

### **William Abbott's Employment History**

Abbott's personnel records show that he has been an employee since January 5, 1987. In 2002, his job title was Industrial Truck Driver-Finished Goods, one of approximately 14 employees in that job. In May 2002 and thereafter, he worked on the second shift from 4 p.m. to 12:30 p.m. Based on his service he was entitled to four

---

spent on Union business within the employee's work schedule (including related FICA and FUTA taxes imposed on the employer), and in excess of the pay for time under Article XVIII

(2) Promptly after the end of each month, the Company will inform the Local of the amount of Local payment due for each steward or representative of the local under this Procedure

(3) The Local authorizes the Company to deduct from the local dues checkoff monies each month amounts sufficient to cover the amount determined under Paragraph (1) above. In the event that such funds are insufficient to cover the amount determined under Paragraph (1) above, the Local shall directly reimburse the Company for any deficiency [See Ex F]

27044160624

weeks vacation, two weeks of which he could take with no restrictions.<sup>6</sup> [See paragraph 11, Baran Affidavit.]

For at least a part of 2001, Abbott was a member of the Union's Executive Board. He was re-elected in July 2002. Company officials do not know what Abbott does as a member of the Executive Board, but it appears that his duties relate to internal union governance. He did not handle grievances or collective bargaining issues and was not paid for any grievance-handling time in 2002. [See paragraphs 9 & 11, Baran Affidavit.]

In 2002 Abbott claimed a significant amount of Union-paid time for union business that was not payable by the Company. *All of the time at issue in the complaint was paid for by the Union.* This was not alarming or unusual because 2002 was a very busy year for all Union officials. Elections for new officers were conducted. Unions official ran the elections and counted ballots. It was also a year of transition with the election of a new president. The tie vote for vice president created a Union governance problem that members of the Executive Board had to sort out. Finally, the new team spent a lot of time preparing for the 2003 negotiations. [See paragraphs 13 & 14, Baran Affidavit.]

No one at the Company kept track of the Union-paid time that Abbott was accruing: The Company was not responsible to pay it. Company records were reviewed to respond to the complaint. They show that Abbott's Union-paid hours for 2002 was very similar to those of Rebecca Gaddis, also an Executive Board member. For 2002 Abbott was the 16<sup>th</sup> highest user of union-paid time with 539.9 hours. Gaddis was the 18<sup>th</sup> with 413 hours. For 2001, Abbott had been the 19<sup>th</sup> highest user of union-

---

<sup>6</sup> Production employees with 2 or more weeks of vacation must reserve 10 days to be taken in the annual summer shutdown when the plant is normally closed for major overhauls and/or the installation of new equipment [See Ex C, Article XIII, Section 1 and 7] Vacation time above this amount can generally be taken at a time of the employee's choosing

paid time with 35.7 hours; Gaddis had been the 16<sup>th</sup> with 56.7 hours. [See paragraph 11, Baran Affidavit.]

### **The Complaint**

The complaint alleges that a leave of absence was requested for Abbott and that Casavecchia denied it. It alleges further that despite that denial, Casavecchia granted Abbott a *de facto* leave by agreeing with the Union to permit him to be absent on Union-paid time.

So long as an employee retains continuity of service, i.e., service credits, he/she retains coverage under the life, disability and medical insurance plans for short unexcused absences that do not exceed two weeks. This provision of the service rules has been in effect at least since 1970. [See Article VIII of the parties' 1970-1973 Collective Bargaining Agreement; Ex. E.]

The complaint alleges that Abbott was a candidate in the May 2002 primary. The public record shows that Abbott did not run in the primary, which took place on May 7, 2002.<sup>7</sup> Moreover, the Commission's files show that Abbott, ID H2IN04101, did not file his statement of candidacy until June 3 (received by the Commission on June 5). [See Ex. A.] Further, based on the funds he received, Abbott was not a highly visible candidate. According to the Commission's files, he received only \$27,807 through December 31, 2002, and spent \$21,634 on his campaign. His Republican opponent, incumbent Steven Buyer, received contributions of \$945,973 and spent \$924,869 during the same period.

<sup>7</sup> [http://www.in.gov/sos/primary02.jsessionid=aQ\\_Az6zYJzsa?page=office&countyID=-1&partyID=-1&officeID=5&districtID=-1&districtshortviewID=-1&candidate=](http://www.in.gov/sos/primary02.jsessionid=aQ_Az6zYJzsa?page=office&countyID=-1&partyID=-1&officeID=5&districtID=-1&districtshortviewID=-1&candidate=)

### **No leave of absence was requested**

Neither Abbott nor Collins filed an application for a leave of absence for Abbott. Nor did they verbally request a leave or ever discuss a leave with Casavecchia. [See paragraph 5, Casavecchia Affidavit].

Abbott did not tell Casavecchia or any GE or Company official that he was a candidate for Congress. He is not certain of the date but Casavecchia believes he may have seen a mention in a newspaper that Abbott was running for Congress. [See paragraph 6, Casavecchia Affidavit]. Regardless, neither Casavecchia nor GE was aware that any of Abbott's vouchered time was spent campaigning for office: It was simply referenced as "Other" and ultimately paid for by the Union via reimbursement to the Company.

Company payroll records show that Abbott had accrued over 200 hours of Union-paid union-business time before he declared his candidacy<sup>8</sup>. [See paragraph 12, Baran Affidavit.]

### **GE's Code of Conduct**

GE has a code of conduct based on legal and ethical requirements. The code prohibits making corporate contributions to election campaigns. GE's published policies and training materials inform employees of relevant laws, provide reporting mechanisms and counseling resources and periodically query employees regarding their knowledge of potential violations. [See paragraphs 3-6, Jacoby Affidavit.]

As Manager, Human Resources, Casavecchia is familiar with GE policy and knows that GE prohibits granting leaves to run for office or engage in campaigning.

---

<sup>8</sup> His colleague Rebecca Gaddis, also a member of the Executive Board, had accrued 155 hours of Union-paid union-business time during the same five months of 2002

Leaves of absence are granted for a limited number of purposes, including completing one's education, government service, family personal and medical reasons, etc. [See Ex. H., pages 5 & 6]

GE policy requires that employees who run for office must campaign during non-working time, by using accrued vacation time or they must resign. The basis of this strict policy is the Act's prohibition against corporate campaign contributions. Thus, had Abbott or Collins requested a leave of absence for Abbott to campaign, Casavecchia would have denied it. [See paragraph 8, Casavecchia Affidavit].

### **The Legal Standard**

The Act's prohibition against contributions by corporations to federal election campaigns includes paying wages for periods when employees are not working but campaigning. Paying fringe benefits to such employees can also be unlawful,<sup>9</sup> but not where the corporation "has a pre-existing policy covering fringe benefits and unpaid leave which is generally applicable to all employees."<sup>10</sup> The collective bargaining agreement between the Company and the Union provides that coverage under GE's pension, savings, life, medical and disability plans will continue so long as service is not broken, i.e., the absence is not unexcused for two weeks or more. The rules governing loss of service credits have been included in the collective bargaining agreements at least since 1970. [See paragraph 12, Casavecchia Affidavit].

Providing service credits for such absences does not violate the Act if such credits are also granted to employees placed on leave-without-pay for non-political purposes.<sup>11</sup>

---

<sup>9</sup> 2 U S C §5441b(a) and 441b(b)(2), 11 C F R §114 2, §114 12(c)(1)

<sup>10</sup> Federal Election Commission Advisory Opinion Number 1992-3

<sup>11</sup> 11 C F R §114 2, §114 12(c)(2)

The National Labor Management Relations Act does not prohibit employer payments to union officials for time spent handling grievances and administering the parties' collective bargaining.<sup>12</sup>

All terms and conditions of employment, including wages and benefits, are governed by the Agreement. It would be unlawful for the Company to grant different or additional benefits than the ones that have been negotiated.<sup>13</sup>

### Argument

I. GE and Casavecchia did not compensate Abbott while he was campaigning

The union-business voucher system is a product of the parties' agreement that the Company shall pay for grievance-handling activities and the Union shall pay for time spent handling the Union's internal affairs. Abbott placed all of his vouchered time in the section of the form that read, "[This] time is not within the limits provided for in the GE-IBEW Contract and is not paid for by the Company."

All time recorded in the column header "Other" was paid by the Union. Appendix C to the Agreement couldn't be clearer:

The Local shall make, on behalf of a steward or other representative of the Local, a monthly payment to the Company in the amount of Earnings, if any, such employee receives from the Company attributable to time spent on union business within the

---

<sup>12</sup> *Caterpillar Inc v International Union*, 107 F 3d 1052 (3d Cir , 1997)

<sup>13</sup> *NLRB v Katz*, 369 U S 736 (1962)

employee's work schedule...and in excess of the pay for time under Article XVIII.

The fact that the Company, as the employer of record and owner of the only payroll system, issued the paycheck to the employee does not alter the Union's status as obligor for the Union-paid portion of the wages. The reimbursement process confirms this conclusion: In addition to the wage payment the Union pays FICA and FUTA, a clear acknowledgment that it had full responsibility to pay for these hours.

The collective bargaining agreement between the Company and the Union provides that coverage under GE's pension, savings, life, medical and disability plans will continue so long as service is not broken, i.e., the employee has not quit, died, resigned, been discharged or absent without excuse for two weeks or more. [See paragraph 12, Casavecchia Affidavit.]

These service rules were not created to facilitate campaigning. They are the product of the Union's interest to protect employees' benefits coverage. If one result of the rules—clearly an unintended one—is that benefits coverage would continue for a campaigning employee, that would not violate the Act for at least three reasons: (1) the coverage is required by the collective bargaining agreement; (2) coverage is provided to all employees; and (3) and the absences for which coverage is provided is brief.<sup>14</sup>

Finally, these same service rules have been in existence at least since 1970, i.e., they were not created for Abbott. [See Article VIII of the parties' 1970-1973 Collective Bargaining Agreement; Ex. E.]



II. GE and Casavecchia did not condone Union contributions to Abbott's campaign

The complaint alleges that Casavechia denied Abbott a leave, but permitted him, nonetheless, to be paid for campaign time. This is wrong. Not only was a leave never requested, but Casavecchia stated that he does not even know Abbott. Further, Casavechia never had any discussions with Collins about Abbott and Casavecchia never agreed to let Abbot be paid by the Union for campaign time. There was no collusion. (Indeed, Casavecchia has no knowledge of what Abbot was doing with his Union-paid time but presumes it was it was union business as claimed on the vouchers.)

Moreover, it is Baran, not Casavecchia, inputs Abbott's Union-paid absences into the time-and-attendance system. Baran did not know that Abbott was engaging in campaign activity, if, indeed, he was, or even that he was a candidate. Rather, he relied on the two Union presidents' representations that Abbott was engaged in union activity. Baran simply input Abbott's time into the time-and-attendance system so that the Union could pay Abbott. In this respect as in others, Baran treated Abbott like every other Union official on Union-paid absence.

GE policy requires that employees running for office must campaign during non-working time, by using accrued vacation time or they must resign. The basis of this strict policy is the Act's prohibition against corporate campaign contributions, including payment of fringe benefits to campaigning employees. Thus, had Abbott or Collins requested a leave of absence for Abbott to campaign or to run for office, Casavecchia would have denied it. [See paragraph 8, Casavecchia Affidavit and Ex. H.].

---

<sup>14</sup>Federal Election Commission Advisory Opinion Number 1992-3

III. There was no objective basis for GE and Casavecchia to believe that Abbott was not attending to Union business when he was not at work

Both Casavecchia and Baran state that Abbott was not one of the Union officials they regularly dealt with. They did not know what his responsibilities as a member of the Executive Board entailed. They only knew that he did not handle grievance or administer the Agreement. This is one of the reasons why his absences did not attract their notice.

Baran's review of the vouchers was limited to confirming that Company-paid time did not exceed the Agreement's maximums. In 2002 there was a visible increase in all Union-paid time, not just Abbott's. This visible increase in union activity in 2002 also helped conceal what otherwise might have been noticed as unusual. But even then, Rebecca Gaddis, for instance, one of Abbott's Executive Board colleagues, also had a large number of Union-paid hours in 2002, suggesting that both were engaged in something other than campaigning. Nothing about Abbott's record would have drawn unusual attention<sup>15</sup> and GE had no knowledge of what Abbott did during his union time.

Although the complaint alleges that unlawful payments to Abbott began when Collins became Union president, Abbott had already accrued more than 200 hours of Union-paid time—approved by then-president Steve Norman--before he declared his candidacy on June 3 and before Collins took office in July 2002. This record did not provide the Company reason to question Collins' approvals during the second half of the year, i.e., the first six months of Collins' tenure.<sup>16</sup>

---

<sup>15</sup> Even if Company officials had known that Abbott was a candidate, why would anyone have suspected that a second shift employee, who did not report to work until 4 00 p m would need to take time off from work to campaign?

GE's code of conduct governs the conduct of GE employees and employees of its subsidiaries. It clearly prohibits using corporate money to fund federal election campaigns. High-ranking managers such as Casavecchia, who are charged with enforcement, know that violations of the policy subject employees to discipline, up to and including discharge.

Approximately every 18 months managers must perform a compliance review with their employees. The process proceeds in pyramid fashion with the business leader requesting his staff to cooperate with legal counsel in a bottom-to-top review of the compliance of business units with relevant laws and GE policies. Starting at the lowest reporting level, each manager meets with his employees to review policy requirements, discuss concerns and record any relevant disclosures. The results are taken to a meeting with the manager's manager where the results are shared. The process repeats itself at successively higher levels until counsel reviews all the results with senior management. This is the level at which plans to correct violations and change broken processes are agreed on.

Casavecchia had most recently conducted such a review with his staff in April 2001. Baran participated in the session. In that same month met with his manager, the Vice President for Human Resources, and counsel to review the results. He was, therefore, fully familiar with GE's prohibition on corporate contributions when the events of 2002 that are the subject of the complaint occurred. The complaint does not suggest, and it is not believable, that Casavecchia would have risked breaching the policy. As Manager, Human Resources, Casavecchia also knows that leaves of absence cannot be granted to run for office or to campaign. He did not grant a formal or *de facto* leave of absence to Abbott.

---

<sup>16</sup> From July through December 2002, Abbott was approved for 336 hours of Union-paid time, Gaddis was approved for 258 hours of Union-paid time

### Conclusion

The record does not support the claim that GE and Casavecchia surreptitiously placed Abbott on a leave of absence so that he could be paid while campaigning for Congress.

For the above reasons, GE and Casavecchia urge the Commission to find no reason to believe and to dismiss the complaint.

Respectfully submitted,

  
Earl F. Jones

EFJ/plt

Walter Casavecchia  
Hal Bogard

27044160634

2

27044160635

BEFORE THE FEDERAL ELECTIONS COMMISSION

GENERAL ELECTRIC COMPANY &  
WALTER CASAVECCHIA.

)  
)  
)  
) MUR #5638  
)  
)  
)

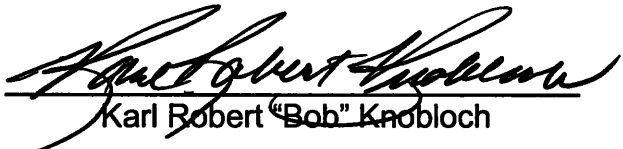
**AFFIDAVIT OF KARL ROBERT KNOBLOCH**

Karl Robert "Bob" Knobloch, a resident of Lee County, Florida, having first been duly sworn, states as follows:

1. My name is Karl Robert "Bob" Knobloch. I am employed by Client Business Services, Inc. (hereinafter "CBSI"), a wholly owned affiliate of General Electric Company (hereinafter "GE"). I work at at the central payroll operation in Ft. Myers, Florida as the Project Leader, CPARS Coordination. The Ft. Myers center provides payroll services for GE and for most of its subsidiaries. It prepares paychecks for the approximately 150,000 U.S.-based GE and affiliate employees.
2. Bloomington, IN is the site of GEA Bloomington Production Operations, LLC (hereinafter the "Company"), one of GE's subsidiaries. I provide payroll services for the Bloomington plant among other GE operations.
3. The production employees of the Bloomington plant are represented by Local 2249, International Brotherhood of Electrical Workers, AFL-CIO (hereinafter the "Union").
4. Union officials are paid by the Union for time they spend on the Union's corporate affairs and other non-grievance-related activities. These payments are credited towards the officials' pension and savings accounts under the GE Pension Plan and the Union Representatives Savings and Security Plan. It is therefore imperative that such payments be accurately recorded.
5. The collective bargaining agreement between the Company and the Union requires that all members of the bargaining unit pay dues or an equivalent

amount as a service fee. In 2002 the monthly dues payment was \$30.87.

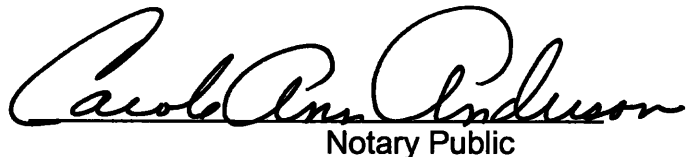
6. Since the Union does not have the required systems infrastructure, the parties agreed about 10 years ago that GE would use its time-and-attendance system to record Union-paid time. Once a month the Company remits to the Union dues and service fees that have been deducted from employee wages. GE's central payroll department in Ft. Myers Florida deducts from this remittance the amount the Company advanced to pay union officials for time spent on union business per the vouchers submitted every week by the Union president. Thus, pursuant to the collective bargaining agreement, the Company is reimbursed every month for the payments it makes on behalf of the Union. In addition to the reimbursement, the Company also deducts 8.8 per cent for FICA and FUTA taxes due on the wages paid by the Union. The Company performs this service as an accommodation to the Union and in recognition of the fact that it does not maintain a payroll or other system capable of handling payments to Union officials who handle legitimate union business.
7. To the best of my knowledge, information and belief, GE, before it remitted to the Union dues paid by Company production employees that had been deducted from their wages, deducted the full amount of payments for Union-paid time that it advanced on behalf of the Union in 2002, plus 8.8% of that amount to cover employer paid taxes, i.e., FICA and FUTA.

  
Karl Robert "Bob" Knobloch

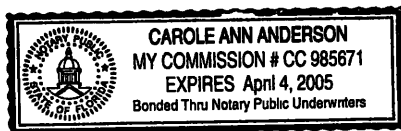
STATE OF FLORIDA

COUNTY OF LEE

Subscribed and sworn to before me by Karl Robert "Bob" Knobloch this  
10th day of March 2005.

  
Notary Public

My Commission expires: \_\_\_\_\_



27044160638

3



BEFORE THE FEDERAL ELECTIONS COMMISSION

GENERAL ELECTRIC COMPANY &  
WALTER CASAVECCHIA.

)  
)  
)  
) MUR #5638  
)  
)  
)

**AFFIDAVIT OF VIVIEN JACOBY**

Vivien Jacoby, a resident of Jefferson County, Kentucky, having first been duly sworn, states as follows:

1. My name is Vivien Jacoby. I am employed by General Electric Company (hereinafter "GE") as Manager, Engineering. I also serve as lead ombudsperson for GE's Consumer & Industrial business. GEA Bloomington Production Operations, LLC, (the "Company") is a wholly owned subsidiary of GE. Operationally it is part of the Consumer & Industrial business, which manufactures and markets household appliances, lighting and electrical distribution equipment.
2. As one of the Company compliance leaders I am very familiar with the efforts the Company has made to comply with campaign laws. Commitment to compliance with these laws is a part of the Company's comprehensive ethical standards program.
3. GE and its subsidiaries established a compliance program in 1991 when GE management issued 13 policies to guide employees in conducting business in an ethical manner.

27044160639

- 27044160640
4. One of the policies, Improper Payments, expressly prohibits Company funding of political campaigns. The text of the policy provides:

*"GE employees should not offer anything of value to obtain any improper advantage in selling goods and services, conducting financial transactions or representing the company's interests to governmental authorities. This policy sets forth GE's standards of conduct and practices for certain kinds of payments, entertainment and political contributions. GE must not authorize, involve itself in or tolerate any business practice that does not follow this policy.*

*A violation of this policy can result in severe civil and criminal penalties. All countries prohibit the bribery of their own public officials, and many also prohibit the bribery of officials of other countries.*

*GE's policy goes beyond these laws and prohibits improper payments in all of our activities, both with governments and in the private sector. "*

5. GE's Consumer & Industrial business, the division to which the Company is aligned, has issued further guidance on how the Improper Payments policy should be applied when issues involving contributions to political campaigns arise. The business has issued training materials that alert managers and employees to situations that might violate laws and GE policies. As relevant to this matter, the training materials for the Improper Payments policy define its scope as follow:

*"This Policy sets forth GE's standards of conduct for business payments, entertainment and political contributions, the hallmark of which is never to offer anything of value to obtain an improper commercial advantage."*

*(See Ex. B.)*

6. The policies and explanatory materials, including Ex. B, have been distributed to all employees, including production workers, and are posted on the Company's intranet. They are also distributed to managers for use in conducting periodic compliance reviews.

27044160641


7. Approximately every 18 months the Legal Department conducts a review of the Company's compliance with laws and the Company's ethical standards. The Bloomington operation participated in these reviews in 1993, 1995, 1997, 1999, 2001, 2003 and 2004.
8. Attached as Ex.B is a copy of the training materials used to conduct the 1999 and 2001 reviews. One of the red flags identified is "providing anything of value to any government official, political candidate or political party in the U.S. or abroad: providing paid-leave time to employees for political activity (not including vac., hols); contributing Company funds to political candidates or parties."
9. I am familiar with the rules as they apply to employees running for elective office. I have counseled employees about these rules. All have been salaried employees. In accordance with Company policy, I have explained to them that they must take vacation days to campaign or limit campaign activities to non-work time. I was not asked by Mr. Abbott for guidance. I did not know he was running for office. I am not aware of any hourly employee who has run for elective office but the advice would be the same.
10. No employee is permitted to use anything other than vacation time to campaign. It is prohibited by law and by Company policy to allow employees paid leave for such activities.

  
Vivien Jacoby

STATE OF KENTUCKY

COUNTY OF JEFFERSON

Subscribed and sworn to before me by Vivien Jacoby this 10th day of March 2005.

  
Pamela L. Thomas  
Notary Public

My Commission expires: 9-11-07



27044160642

4

BEFORE THE FEDERAL ELECTIONS COMMISSION

GENERAL ELECTRIC COMPANY &  
WALTER CASAVECCHIA

)  
)  
)  
) MUR #5638  
)  
)  
)  
)

**AFFIDAVIT OF WALTER CASAVECCHIA**


Walter Casavecchia, a resident of Johnson County, Indiana, having first been duly sworn, states as follows:

1. My name is Walter Casavecchia. I have been employed by General Electric Company ("GE") since April 1973 and, since September 1999, assigned to GEA Bloomington Production Operations (the "Company"), LLC, GE's wholly owned subsidiary, as Manager, Human Resources. I also serve as Human Resources Manager for GE's Motor Supply Chain Operations. I have read the complaint filed in the above matter and make this affidavit to respond to the allegations that I violated the Federal Election Campaign Act of 1971.
2. I am responsible for salaried personnel practices, labor relations, communications and community relations for the Company. Mike Baran ("Baran"), Project Manager, Labor Relations, reports to me. He is the Company's principal liaison with Local 2249, International Brotherhood of Electrical Workers, AFL-CIO, (the "Union"), which since its 1967 certification by the National Labor Relations Board, has been the collective bargaining agent for production employees employed at the Company. The Company's employment at the end of July 2002 was 1800.
3. The Union and the Company have negotiated collective bargaining agreements approximately every three years. The June 26, 2000 to June 15, 2003 collective bargaining agreement (the "Agreement") is the labor contract that was in effect for all periods relevant to this matter. (See Ex. C.) Article XVIII, Section 1 provides that the Company will pay Union officials for the time they spend processing grievances up to specified limits. The Union pays for grievance-handling time that exceeds the specified limits and for all time away from work that Union officials spend on non-grievance-related activities. (See Ex. G.)

27044160643

4. Baran handles day-to-day dealings with the Union. He is the person to whom the Union president submits labor vouchers that document time spent by represented employees on Union business, including time that is Company-paid, pursuant to Article XVIII of the collective bargaining agreement, and Union-paid time off as requested by the Union's president. Baran can, therefore, attest to the process for handling union-business vouchers. I do know, however, that because the Company does not pay for such time, we do not track it or question it so long as the Union president has approved it.
5. I am not personally familiar with William Abbott (hereinafter "Abbott"). To my knowledge, information and belief Abbott did not request a leave of absence in order to campaign or for any other purpose. At no time in 2002 did Abbott or Glenn Collins ("Collins"), who took office as president in July 2002, apply for or discuss with me a leave of absence. Nor did the Union request a leave of absence for Abbott. I have checked Abbott's personnel records and found nothing to indicate that he requested any type of leave of absence.
6. Neither Abbott nor Collins nor anyone at the Company told me that Abbott was a candidate for Congress. I have no knowledge if he was a candidate in the primary election in 2002. My best recollection is that I learned that he was a candidate when someone showed me the back page of a newspaper where someone had highlighted a paragraph. I do not recall seeing any TV ads or coverage of Abbott's campaign.
7. I do not review or approve union-business time absences. I do not maintain records of who takes union-business time and had no information that Abbott was using union-business time to engage in campaigning for office. Thus, I had no knowledge, as alleged in the complaint, that Collins "...was authorizing Abbott to be compensated via a union voucher and Mr. Abbott was going to reimburse [the Union] for his wages." Further, I am not privy to Union meetings. To the extent that it was suggested that I denied Abbott a leave of absence, it is not true.
8. I am familiar with the rules related to employees running for office. I know that it would violate federal law and GE policy to make Company contributions to political candidates. I also understand that granting an employee paid leave to campaign is making a prohibited contribution. Under Company policy, using accrued vacation is the only way an employee can lawfully be compensated when off work campaigning. Had Abbott requested a leave of absence I would have instructed him to take vacation time if he wanted to continue his income while campaigning. (See Ex. H.)
9. Approximately every 18 months GE managers review their operations' compliance with relevant laws and GE policies. They do this by meeting with their employees. Managers report the results to their managers, who in turn report up to their managers until all disclosures are reviewed with senior management and counsel. This is where corrective action plans and process changes are set.

- 27044160645
10. I conducted a compliance review session with my staff, including Mike Baran, in April 2001. Later that month I met with my manager, the Vice President for Human Resources, to discuss the results. Included in the materials that I reviewed with my staff were the training materials regarding the Improper Payments policy. [See Ex. B.]
11. All earnings, whether for hours worked, vacation, personal or illness time, and compensation for time spent processing grievances--Company-paid union time--and, at least since 1991 (see Ex. D), time off from work handling the Union's corporate business affairs--Union-paid union time--are counted for benefit purposes. Since the Company had been informed by the Union that Abbott's absences that are the subject of the complaint were related to legitimate Union business and that the Union was responsible for payment, the Company considered such wages eligible for matching contributions under the Savings and Security program as provided in the collective bargaining agreement. In this respect Abbott was treated like every other Union official covered by a union-business voucher.
12. Under Article VIII of the parties' Agreement, continuity of service credits, which are relevant for accrual of pension qualification service and bargaining unit seniority, continue to accrue during absences provided the absence does not exceed 2 weeks. Thus, Abbott, like any other employee, would have accrued service credits for the days he was absent in 2002 and allegedly campaigning for office since he was never absent on union business for a two-week period. So long as employees maintain continuity of service they retain benefits coverage. The parties' Agreements have included this provision at least since 1970. (See Ex. E.) In 2002, six employees were terminated for being absent more than two weeks. Two were re-engaged when they explained why they were unable to report to work.

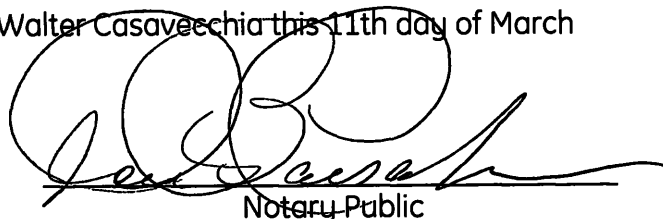


Walter Casavecchia

STATE OF INDIANA

COUNTY OF MONROE

Subscribed and sworn to before me by Walter Casavecchia this 11th day of March 2005.



Notary Public

My Commission expires: **DAN B. CALLAHAN**  
Notary Public, State of Indiana  
County of Monroe  
My Commission Expires Jan 10, 2008

27044160646

5



BEFORE THE FEDERAL ELECTIONS COMMISSION

GENERAL ELECTRIC COMPANY &  
WALTER CASAVECCHIA

)  
)  
)  
) MUR #5638  
)  
)  
)  
)

**AFFIDAVIT OF MICHAEL BARAN**

Michael Baran, a resident of Greene County, Indiana, having first been duly sworn, states as follows:

1. My name is Michael "Mike" W. Baran. I have been employed by General Electric Co ("GE") since 1973 and, since June 2001, assigned to GEA Bloomington Production Operations (the "Company"), LLC, GE's wholly owned refrigerator-freezer manufacturing subsidiary, as Program Manager, Labor Relations.

2. I am the Company's shop floor liaison with Local 2249, International Brotherhood of Electrical Workers, AFL-CIO, (the "Union"). The National Labor Relations Board certified the Union in 1967 as the collective bargaining agent for production employees employed at the Company. The collective bargaining agreement ("Agreement") applies only to hourly employees. I am the Company's day-to-day representative in dealings with the Union and handle grievances filed by Union officials on behalf of their members. As specifically relevant to the matter herein, I receive the labor vouchers that the Union files to document time spent by Union officials on Union business.

3. Union business falls into two categories: Company-paid and Union-paid.

4. Article XVIII, Section 1 of the parties' collective bargaining agreement specifies the maximum number of hours that Company will pay for time spent by Union officials processing grievances and administering the collective bargaining agreement. Shop stewards are paid up to 1.5 hours of grievance-handling time per week; chief stewards and vice presidents, 5 hours per week; and the Union president 42 or 52 hours per month, depending on the number of weeks in the month. Additional paid-time is provided for grievance investigations and appeals.

5. The Union pays for time off from work by Union officials related to the Union's role as the representative of bargaining unit employees. (See Ex. F.) Time spent in these activities is noted on labor vouchers, which must be signed by the official requesting payment and the Union president, or his designee, who approve payment.

27044160647

6. Each Friday the Union president submits vouchers for Company-paid and Union-paid time. (See Ex. G.) I review the vouchers only to ensure that Company-paid time does not exceed the maximum provided for in Article XVIII and to confirm that no hours are unexcused, i.e., that all other time has been designated as Union-paid. Company-paid time should entered in the columns headed Steps 1A, 1B and 2A, which track the grievance process levels. This was also the practice in 2002. (The footnoted explanation references Article XVII, which was the number of the Union Representation provision in the 1997-2000 agreement, which in the 2000-2003 agreement is XVIII.)
7. The collective bargaining agreement does not limit the number of Union-paid hours it can approve per week. And the Union has never given me guidelines other than to pay upon signature. Thus, all hours vouchered as Union-paid, if signed off on by the Union president, are paid as Union approved.
8. The Union and the Company must work together as they administer the Agreement. They must be able to rely on the words and commitments of their representatives. This is the essence of the legal requirement that they bargain in good faith. In good faith I relied on the Union president's signature that Abbott was engaged in lawful union activities when I input his 2002 Union-paid time into the time-and-attendance system.
9. I first became familiar with the name William Abbott (hereinafter "Abbott") in early 2002 when I took over the task of reviewing union-business labor vouchers for all union employees. I have never spoken to him. The then Union president informed me that Abbott was a member of the Union's Executive Board. I do not know the nature of Abbott's responsibilities as a member of the Executive Board but since he does not handle grievances or otherwise help administer the collective bargaining agreement there is no reason why I would know him.
10. I was shocked to learn of the claim that some of the payments that the Company made to Abbott were unlawful because Abbott, when excused on union business, was actually campaigning for Congress. I am the Company employee who input Abbott's union time in 2002 and I did not know that he was using this vouchered time to campaign for Congress. I cannot even attest that I knew he was running for office.
11. I have reviewed the vouchers that Abbott submitted for union-paid union-time in 2001 and 2002. All of Abbott's time was paid by the Union. In 2001, Abbott was the 19th highest user of union-paid time with 35.7 hours of certified union-paid time. Gaddis, also an Executive Board member, was the 16th highest in 2001 with 56.7 hours of certified union-paid time. In 2002, Abbott was the 16th highest with a total of 539.9 certified hours and Gaddis was the 18th highest with a total of 413.0 certified hours. The 2002 time was approved by Steve Norman, whose term as Union president ended in July, and by Glenn Collins, who succeeded him in office. As stated above I did not inquire into the purpose or nature of the absences of Mr. Abbott or any other union employee. Furthermore, he was a 2nd shift employee who could have campaigned all day without taking any time off from work. And, with four weeks vacation entitlement, two of which he could take outside the annual summer shutdown, Abbott could have scheduled vacation time in half-day increments. This means he could have left work early at 8pm or come in late at 8pm.

12. Company payroll records show that Abbott had accrued over 200 hours of Union-paid union-business time by the end of May 2002, all of which had been approved by Steve Norman. His colleague Rebecca Gaddis, also a member of the Executive Board, had accrued 155 hours of Union-paid union-business time during the same five months of 2002.

13. I did not keep track of hours, but had I been aware of the significant increase in Abbott's union-paid time I would not have been surprised. That was a very busy year for the Union. Every Union official's time had increased. In fact, the records I researched show that the total union-paid time for 2002 was 18,693.4, a dramatic increase over the 7,900.8 hours in 2001.

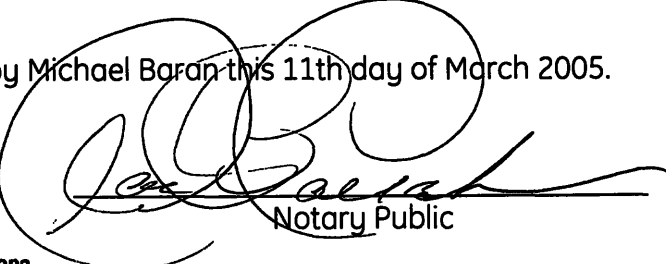
14. 2002 was the year that new officers were elected. Union officials spent considerable time setting up and running the elections and counting ballots. A new president was elected and officials spent a lot of time on the leadership transition. The vote for vice president resulted in a tie, which meant that officials spent extra time dealing with both candidates until the incumbent stepped aside at the expiration of her term. As an incumbent and re-elected member of the Executive Board it was not surprising that Abbott's Union-paid time increased significantly.

  
Michael Baran

STATE OF INDIANA

COUNTY OF MONROE

Subscribed and sworn to before me by Michael Baran this 11th day of March 2005.

  
Notary Public

My Commission expires: **DAN B. CALLAHAN**  
Notary Public, State of Indiana  
County of Monroe  
My Commission Expires Jan 10, 2008

27044160650

6

**EXHIBIT A**

27044160651

Exhibit A

**STATEMENT OF CANDIDACY**

(see reverse side for instructions)

RECEIVED  
FEC MAIL ROOM

2002 JUN -5 A 10:05

1. (a) Name of Candidate (In full) <b>WILLIAM (BILL) ANTHONY ABBOTT</b> <small>If address changed</small>			2. Identification Number
(c) City, State, and ZIP Code <b>ELLETTSVILLE INDIANA 47429-1009</b>			
3. Party Affiliation <b>DEMOCRAT</b>	4. Office Sought <b>HOUSE</b>	5. State & District of Candidate <b>INDIANA FOURTH</b>	

**DESIGNATION OF PRINCIPAL CAMPAIGN COMMITTEE**6. I hereby designate the following named political committee as my Principal Campaign Committee for the 2002 election(s).

(year of election)

NOTE: This designation should be filed with the appropriate office listed below.

(a) Name of Committee (In full) <b>BILL ABBOTT FOR PRESERVING AMERICAN JOBS</b>
(b) Address (number and street) <b>ELLETTSVILLE, INDIANA 47429-1009</b>

**DESIGNATION OF OTHER AUTHORIZED COMMITTEES**

(including Joint Fundraising Representatives)

7. I hereby authorize the following named committee, which is NOT my principal campaign committee, to receive and expend funds on behalf of my candidacy.

NOTE: This designation should be filed with the principal campaign committee.

(a) Name of Committee (In full)
(b) Address (number and street)
(c) City, State, and ZIP Code

I certify that I have examined this Statement and to the best of my knowledge and belief it is true, correct and complete.

Signature of Candidate <b>Will A. Abbott</b>	Date <b>JUNE 3rd 2002</b>
---	------------------------------

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to penalties of 2 U.S.C. § 437g.

**CANDIDATES FOR THE OFFICE OF:**

U.S. Senate mail to:  
Secretary of the Senate  
Office of Public Records  
232 Hart Senate Office Bldg.  
Washington, DC 20510-7118

All other candidates  
mail to:  
Federal Election Commission  
999 E Street, N.W.  
Washington, DC 20463

For further information contact:  
Federal Election Commission  
Toll-free 800/424-9630  
Local 202/694-1100

--	--	--	--	--	--	--	--	--	--

**FEC FORM 2**

(revised 1/2001)

FE140048.PDF

**EXHIBIT B**

27044160653

# ***Improper Payments***

## ***(Policy 20.4)***

**SCOPE: This policy sets forth GE's standards of conduct for business payments, entertainment and political contributions, the hallmark of which is never to offer anything of value to obtain an improper commercial advantage. Sensitive areas:**

- providing anything of value to any government official, political candidate, or political party in the U.S. or abroad:
  - payments, entertainment, gifts, contributions or services
  - special pricing on or consignment of
  - providing paid-leave time to employees for political activity (not including vac. hols.)
  - contributing Company funds to political candidates or parties
  - pressuring eligible employees to contribute to GEPAC
- providing anything of value to customers, governmental or private, suppliers, their employees or others doing business with GEA to influence their activities
  - gifts exceeding \$50/year
  - excessive business entertainment, trips, etc.
  - use of sales reps, distributors, agents or consultants to make such impermissible payments - kickbacks
  - practices contrary to the customer's/supplier's policy or the Conflict of Interest policy
- failure to exercise due diligence in selecting persons/firms as GE reps or distributors

1. *Do you have any questions about this policy and how it applies to your activities?*
2. *Do you have any concerns about compliance with this policy that have not already been satisfactorily resolved by management or legal counsel?*

9/17/97

LRJ/3

759091747QZ2



**EXHIBIT C**

27044160655

## **Exhibit C**

2000-2003  
Agreement

Between  
GE Appliance – Bloomington, Inc  
And Local No. 2249  
International Brotherhood of Electrical Workers  
(A.F.K.-C.I.O)

27044160656

**EXHIBIT D**

27044160657



Corporate Employee Relations Department  
General Electric Company  
Fairfield CT 06431

Contract Administration  
Series No. 3-91  
December 10, 1991

TO: Human Resource Managers  
Employee Relations Managers  
Union Relations Managers  
Payroll and Benefits Representatives  
Personnel Accounting Managers

Effective on the first payday of 1992, union representatives will be covered under provisions of the Union Representatives Savings and Security Program Agreement negotiated last June. A copy of the Agreement covering the IUE is attached. (Attachment #1.) A similar agreement was signed with the UE and should have been signed by all CBC local contract unions.

This agreement makes GE the employer for all *scheduled* work hours for union representatives. Under the new arrangement, GE will pay local union representatives for all scheduled time including time in which the employee is working as a union representative. The union will reimburse the company for all union representatives hours that are paid by GE which are in excess of payments allowed under Article XII of the IUE Agreement (or the appropriate article of other contracts). The reimbursement by the union will include an additional 8.8% to cover FICA and FUTA taxes. Reimbursements will be deducted from dues checkoff monies before remittance by the company to the local.

New absence codes for union representatives time have been established by payroll operations. (Attachment #2.) These are the codes that must be used effective with the processing of the first paycheck of 1992. In order for this system to work properly, each local union representative must be listed as a union representative with the payroll unit, and the codings must be kept current as individuals are added or deleted from the union representatives list. It is imperative that all union representatives' time be reported by the appropriate absence code during each pay period in order to insure that the representative receives proper credit under the various benefit plans and to insure a proper reimbursement by the union to the company. Accurate coding of each union representative's status and the accurate reporting of time each pay period is the key to making this system work.

2/044160658

The present union representatives' arrangements for the Pension Plan and the Savings and Security Program are discontinued as of the end of 1991. We suggest that Employee Relations or Union Relations Managers discuss this change with local union representatives to insure that they understand these provisions. We also recommend that you review with them a copy of the new agreement and emphasize that the union has a responsibility to inform the company on a timely basis of changes in its representatives.

If you have questions on this agreement, you should contact your Union Relations consultant. Payroll and Benefits representatives can contact Gerry Minkler in Schenectady at 8\* 235-4749.

  
D. R. Doulong  
Manager, Union Relations

attachments

t

c: UR Consultants  
G. L. Minkler

27044160655

**EXHIBIT E**

27044160660

**Exhibit E**

1970-1973  
Agreement

Between

Large Refrigerator  
Department  
General Electric Company

AND

Local No. 2249  
International Brotherhood  
Of  
Electrical Workers  
(A.F.K.-C.I.O)

**EXHIBIT F**

27044160662



2000 - 2003 Agreement

**APPENDIX C  
UNION REPRESENTATIVES  
SAVINGS AND SECURITY PROGRAM  
AGREEMENT**

**Between  
GE APPLIANCES – BLOOMINGTON, INC.  
AND IBEW LOCAL 2249**

This agreement is entered into by and between the General Electric Company (the "Company") and I.B.E.W. 2249 (the "Local") for the purpose of establishing a procedure for:

- (1) Company Salary and Wage payments to employees when performing as a steward or other representative of the Local in excess of the paid time provided under Article XVIII and: participation of such employees in the GE Savings & Security Program (the "Program"); and
  - (2) Local reimbursement of these payments and certain related Company expenses.
- It is mutually agreed as follows:

**SECTION 1. LOCAL PAYMENTS**

- (1) The Local shall make, on behalf of a steward or other representative of the Local, a monthly payment to the Company of the amount of Earnings, if any, such employee receives from the Company attributable to time spent on Union business within the employee's work schedule (including related FICA and FUTA taxes imposed on the employer), and in excess of the pay for time under Article XVIII.

## 2000 - 2003 Agreement

- (2) Promptly after the end of each month, the company will inform the Local of the amount of Local payment due for each steward or representative of the local under this Procedure.
- (3) The Local authorizes the Company to deduct from the local dues checkoff monies each month amounts sufficient to cover the amount determined under Paragraph (1) above. In the event that such funds are insufficient to cover the amount determined under Paragraph (1) above, the Local shall directly reimburse the Company for any deficiency.

### SECTION II, MODIFICATIONS AND AMENDMENTS

- (1) Not more than 90 days and not less than 60 days prior to 15<sup>th</sup> day of June, 2003 and any anniversary date thereof, either the Company or the Local may present to the other notice of proposed modifications or additions to the provisions hereof. Within 15 days after such notice is given, collective bargaining negotiations shall commence for the purpose of considering such modifications or additions. Failing agreement thereon, the Local shall have the right to strike but this Agreement shall continue in effect, as provided in Paragraph 2 below of this Agreement. However, in the event of such strike, the Company may, at its option, terminate this Agreement upon 10 days written notice to the Local.
- (2) This Agreement shall continue in full force and effect between the Company and the Local until the 15<sup>th</sup> day of June, 2003, and from year to year thereafter, unless not more than 90 and not less than 60 days prior to such date or any anniversary thereof either the Company or the Local shall notify the other in writing of its intention to terminate this Agreement upon such date or anniversary date.

### SECTION III. ADMINISTRATION

This Agreement shall be administered by the Company, which shall have the same powers, responsibilities and discretion with respect to its administration of this Agreement as the company has with respect to the administration of the Program.

IN WITNESS WHEREOF the parties have caused their names of be subscribed to this Agreement by their duly authorized representatives this 14<sup>th</sup> day of July

INTERNATIONAL  
BROTHERHOOD OF  
ELECTRICAL WORKERS  
LOCAL 2249  
BLOOMINGTON, IN

GE APPLIANCES-  
BLOOMINGTON, INC.

/s/ Steven Norman

/s/ Walter E. Casavecchia  
/s/ James E. Winzenreid  
/s/ Joseph N. Jones, Jr.  
/s/ Michael W. Baran  
/s/ Mark Marzano

**EXHIBIT G**

27044160665

**B-Rate** \_\_\_\_\_ **SS #** \_\_\_\_\_

Name \_\_\_\_\_ Clock No. \_\_\_\_\_ Cost Center \_\_\_\_\_

Date	Time		Step 1A*	Step 1B**	Step 2A***	Other****		Total Hours
	From	To				In Plant	Out Of Plant	
Total Hours								

- Such time will be paid by the company only to the President, Chief Stewards and Stewards in accordance with provisions of Article XVII, of the GE-IBEW Contract.

**\*\* Such time will be paid by the Company only to the President or Chief Steward, Vice President and Steward in accordance with provisions of Article XVII, of the GE-IBEW Contract.**

\*\*\* Such time will be paid by the Company only to members of the Shop Committee in accordance with provisions of Article XVII, of the GE-IBEW Contract.

\*\*\*\* Such time is not within the limits provided for in the GE-IBEW Contract and is not paid for by the Company.

**Union Representative** \_\_\_\_\_ **Date** \_\_\_\_\_

Union Officer \_\_\_\_\_ Date \_\_\_\_\_

**Business Team Leader** \_\_\_\_\_ **Date** \_\_\_\_\_

**X TENTH OF AN HOUR SIX MINUTE INCREMENTS**

EW1-94

## WHITE-PAYROLL

**YELLOW-PAYROLL**

## PINK-STEWARD

**GOLD - SUPERVISOR**

**EXHIBIT H**

27044160667



# *Employee Benefits BULLETIN*



**Corporate  
Headquarters**  
Fairfield, CT

**PLAN - Leaves of Absence**

**DATE - May 1, 1974**

**SUPERSEDES - January 1, 1969**

**FILE - EB-LV ABS - 1**

## **ADMINISTRATIVE GUIDELINES - LEAVES OF ABSENCE**

The attached Bulletin on Leaves of Absence is to provide assistance to managers in the exercise of their delegated authority to grant leaves of absence to employees.

To be most helpful this material is indexed and the cover sheet is tabbed so that it can be easily referred to if filed in a three ring binder.

27044160668

## LEAVES OF ABSENCE

### INDEX

	<u>Page</u>
I. Purpose of this Bulletin	1
II. Reasons for a leave of absence	1
III. Objectives to be accomplished by granting leaves of absence	1
IV. Decision making criteria	3
1. Leave not a "right" of the employee	3
2. Leave not generally to put employees at special advantage over other employees of like status	3
3. Leave no guarantee of re-employment	3
4. Factors which manager may wish to consider	3
5. Employee expected to return to employ of Company	4
6. Leave no substitute for resignation	4
7. Length of leave	5
8. Length of prior continuous service to be eligible for a leave	5
9. Educational leaves	5
10. Service credits and pay during a leave	5
11. Participation in citizenship responsibilities	5
12. Failure to return promptly from a leave of absence	6
13. Military Service	6
14. Peace Corps leaves	6
15. Union Officials leaves	6
16. Records	6
V. Responsibility for Counseling	7

27044160669

# EMPLOYEE BENEFITS BULLETIN

## ADMINISTRATIVE GUIDELINES - LEAVES OF ABSENCE

### I. PURPOSE OF THIS BULLETIN

The purpose of this Bulletin is to provide assistance to managers in the exercise of their authority to grant leaves of absence to employees.

The Chairman of the Board and Chief Executive Officer delegated to the President and Corporate Staff Officers, effective May 1, 1958, authority to grant leaves of absence to employees without restriction as to duration. They have redelegated the authority in direct organizational channels; the exact limitations of such redelegation being prescribed in each Group, Division, or Department, according to the internal decisions of each such Component. When the term manager is used herein, it means the manager to whom authority to approve a leave has been redelegated.

### II. REASONS FOR A LEAVE OF ABSENCE

A leave of absence is to provide a manager with a means for protecting continuous service, maintaining a closer relationship with and encouraging return to the Company of an employee who is to be absent temporarily for human or business causes which the manager considers warrant such special action and which he considers are consistent with the requirements of the business.

### III. OBJECTIVES TO BE ACCOMPLISHED BY GRANTING LEAVES OF ABSENCE

The objectives to be accomplished by granting leaves of absence are as follows:

1. To enable an employee to make special mental, physical or emotional adjustments to personal or family problems which arise outside of his Company employment and which temporarily require his full time attention.
2. To enable an employee to visit relatives at distant points or make other visits for personal pleasure when the duration of the absence is longer than the period provided by the usual vacation or vacation plus any deferred vacation and when such absence is compatible with business requirements.
3. To permit an employee to enhance his training for Company work through the pursuit of higher education related to the field of his work.

27044160670



4. To permit an employee to seek work at another Company component when such a transfer is warranted for sufficient personal or Company reasons.
5. To increase Company and personal prestige and relations through temporary transfers of knowledge and services to government, educational institutions, research or other special projects of limited duration.
6. To carry out work beneficial to the nation, the state or community and which is temporary in nature.
7. To recognize legal or contractual requirements for temporary services of an employee outside the Company.
8. To maintain the status of an employee temporarily assigned to work with another company for reasons of benefit to the General Electric Company.

#### IV. DECISION-MAKING CRITERIA

The following criteria are suggested as guides in making sound decisions as to a leave of absence in specific cases:

1. The granting of a leave of absence to an employee is not a "right" of the employee (except in those instances subject to legal or contractual requirements) but is subject to the discretion and sound judgment of the manager.
2. A leave of absence is granted to protect the employee's status in the Company. but managers may not wish to grant a leave in any case where its effect would apparently put the employee at special advantage over other employees of like status, except, of course, when the abilities or prior training of an employee indicate that special action different from that accorded others is appropriate.
3. It is important to make it clear to employees that while one of the purposes of a leave of absence is to provide for return of the employee to the Company, it is not possible, of course, to guarantee re-employment. Re-employment must always be subject to business conditions at the time of return.
4. Factors with respect to an individual employee which managers may wish to consider include:
  - a. Level of work being carried on and Company investment in training of the employee.

27044160671

- b. Value of individual on assigned work.
- c. Capacity for future growth.
- d. Previous and/or potential contribution to the progress of the Company.
- e. Length of service and relation of the length of the proposed leave to such prior service.
- f. Record of application to work.
- g. Previous absences and reasons.
- h. Extent, proximity and reason for any prior leave.
- i. Individual considerations such as the nature of the absence, the need, etc.
- j. The effect of the employee's absence on the work of the component.
- k. The validity of the reasons for a leave.
- l. The status of an employee under the various employee benefits. (For example, an employee on leave may continue Insurance Plan participation, but normally will not build up service credits or other Pension Plan benefits. Details applicable to status of employees on leave of absence are generally contained in each plan).
- m. The possible status of the employee upon return.
- n. Any implications of such a leave with respect to the community, state or nation.

5. A leave of absence is obviously intended for an employee who is expected to return to the employ of the Company. Consequently, managers should make certain the proposed leave is not for the purpose of "trying out" employment elsewhere. Any practice of permitting employees to try out work elsewhere would lead only to less concentration on the General Electric task by many employees. Support of a "trial employment" elsewhere by holding forth possibilities of re-employment would be unfair: (i) to the employee who would not be encouraged to put forth his best efforts, (ii) to the other employers, and (iii) to other General Electric employees who are concentrating their full energy and ability on work for the General Electric Company. It may be worthy to note in this connection, however, that the basic reason for a leave should be reviewed, because, for example, when an employee is granted a leave to take a member of the family to another climate, it may be also necessary to obtain work of a temporary nature, but since the work is definitely secondary this would not prevent authorization of the leave. There are, however, situations when it is in the Company's interest (rather than in the personal interest of the employee) to grant a leave to work for others and in such cases an approved leave may be given. In cases of this kind, such as where an employee is loaned to a customer, one of the Pension Board's rulings provides there must be an intention on the part of both the

27044160672

employee and the employee's manager that the employee will return to employment with the Company. Any grant of service credit for time spent on a payroll other than General Electric should be made only in the most exceptional cases.

6. A leave of absence should not be used in lieu of a resignation by an employee who leaves to gain "experience" with another employer. A leave would only be appropriate in the event the Company assigns an employee to another employer for specific training. (Usually in these latter cases, it is actually in the employee's best interest to keep him on the General Electric payroll and bill the outside company for the work performed.
7. A leave of absence should seldom be granted for a period longer than a year (except educational leaves) and successive leaves should be limited to totaling not more than 3 years or the employee's prior service, whichever is shorter, with the exception of those for military service, educational leaves, leaves for union officials, or for some unusual assignment of particular benefit to the Company.
8. A year of service has not been, and is not, a prerequisite for granting a leave of absence (except educational leaves where it has been the practice to require 2 years of performance on the job). Managers may wish, nevertheless, to examine an employee's service record before approving any request and particularly to avoid granting a leave to an employee where the period of absence would exceed prior service credits or continuous service, except in unusual situations.
9. Leaves for Educational Reasons:  
An outstanding employee who has proven his worth to the Company by his performance, usually while actively employed for the Company for a period of at least 2 years, may be granted a leave of absence for educational reasons. Such leave is to be for completion of requirements leading to an undergraduate degree or for an advanced degree in the field of the employee's work. Further information on educational absence benefits may be found in Educational Relations Letter ERL 80A. The maximum duration of educational leaves of absence should be 5 years or prior service, whichever is shorter. The leave may be extended to cover the period required to complete a Doctorate degree program provided the absence does not exceed prior service.  
  
In the case of an employee leaving the Company for educational reasons, where a leave of absence is not deemed appropriate, service is terminated when the employee leaves and restored, if appropriate, upon re-employment, provided the employee's absence does not exceed 5 years or the length of his prior service, whichever is shorter.

27044160673

It is not customary to give a leave or restore service in those instances where an employee leaves to study subjects unrelated to work in the Company.

10. During a leave of absence, the employee should not be granted service credits when the leave involves matters that are personal to the employee and which do not relate to Company operations (such as leaves to meet personal problems or desires, for education or to seek work at another location) or are of primary benefit to the party using his services (such as a labor union). (This applies whether the leave is of short or long duration.) On the other hand, a leave to carry out work beneficial to the Company or for the benefit of the nation, state or community may be considered under some circumstances as subject to accrual of service credits, with the approval of the Pension Board being required to grant service credits for more than one year of such absence. The Pension Board has specifically ruled, however, that no service credits should be granted for service with the Federal government. Reference should be made to EB Bulletin on Federal Government Service - Leaves of Absence for-(LV ABS TAB) covering the leave of absence benefits considerations applicable in such cases. A similar policy would normally be applicable, of course, to service with state or municipal government. Legal or contractual requirements as to leaves will usually include provisions concerning service credits, but where they do not do so, then the basic principles above should be applied by managers.

A leave of absence with pay is obviously for the purpose of compensating an employee when performing work of benefit to the Company. It may not be utilized in place of payments for absences due to illness, personal business, death in family, jury duty, military service, separation allowances or other reasons for which special arrangements have been established. In some unusual instance, it may be desirable to grant a leave with pay to preserve the employee's status in the Company and its benefit plans (the Pension Plan, in particular). At the discretion of the manager, any pay received from the employing organization may be turned over to the Company by the employee so that the total compensation of the employee does not exceed that approved for him. In government assignments any pay or service credits allowed should, of course, not conflict with legal requirements of individuals in such positions, but wherever possible it appears desirable to protect the employee as much as possible in the light of existing circumstances and laws.

- While General Electric Company believes its employees should be encouraged to accept the personal responsibilities of good citizens and civic leaders according to their interest and ability, participation should be encouraged during leisure time where possible and any necessary time off should be allowed within reasonable limits and in accordance with the standard practice with respect to payments for absences. However, payment to employees for personal business days spent on political

- \* campaigns is not permitted since Company Policy 3.3 prohibits contributions, whether made directly or indirectly to political parties or candidates. Salaried employees who engage in part-time activities such as local civil defense work, and with governmental bodies such as Boards of Education, government boards, advisory committees, civic groups, philanthropic organizations, etc., usually will receive payments under the normal salary continuance provisions and a formal leave of absence is not required, nor should its use generally be encouraged if it is possible to keep the employee at work for the Company. There are occasions, of course, in fairness to either the Company or the other organization, when it is desirable for the employee to devote his full time, temporarily, to the other work. Likewise, there are times when a manager may find it necessary to ask an employee to reduce his outside efforts so as to devote his fullest energies to his Company employment.

12. Failure to return promptly from a leave of absence.

In some instances, an employee is unable to return to work promptly at the end of a leave. Where this is due to substantiated circumstances beyond the employee's control (i. e., death in the family, inability to obtain scheduled transportation, etc.) and the delay is not unduly long, a manager may restore continuous service which normally is broken when an employee fails to return from an authorized leave by the date of the termination of the leave.

13. Leaves of absence for Military Service:

Leaves of absence for military service will be granted under the terms of Company practice governing such absences as outlined in EB Bulletin on "Benefits for GE Men and Women Entering and Returning from the Armed Forces." - (MIL SVC TAB).

14. Leaves of absence for Peace Corps and Domestic Equivalents:

A leave of absence for the period of a term of service in the Peace Corps (including domestic equivalents) is appropriate. The term of service is usually for 2 years. Service credits should not be granted for the period of the absence unless approved by the Pension Board. The Board has indicated that unless there are unusual circumstances, it will recommend against granting service credits during the first year of a leave and will not approve service credits for any period after the first year.

15. Leaves of absence for Union Officials or Officers of a Local

Leaves of absence for union officials or officers of a local are granted pursuant to the terms of the applicable Union Contract. Such leaves are to be granted locally. It is suggested that local Union Relations personnel be asked to review each request prior to the final approval to ensure that it meets the terms of the contract.

16. Records

In the past, many of the most difficult and frequent problems that have been raised on service status have involved leaves of absence and it is desirable to avoid such problems in the future, if possible.

It is suggested that a complete record of a leave be made and filed in the appropriate personnel file of the employee so that there will be no misunderstanding in the future. In fact, it may also be considered advisable in all cases to give the employee a copy of the data. The information should include the dates, reasons, service status during leave, compensation status, and any other information pertinent to the leave.

V. RESPONSIBILITY FOR COUNSELING

Employee Benefits Corporate Staff will be available to advise and counsel managers with respect to leave of absence matters.

E. S. WILLIS

27044160676